

Mr. Ford's Page



WE HEAR a great deal of talk today about "getting back to normal," but seldom does anyone try to tell us what "normal" is. The very form of words used—"getting back"—would seem to indicate that our former condition was the "normal" one, and our present condition the abnormal one. Applying it to the present times, the phrase "getting back" would probably mean getting back to conditions as they were before the war. But everyone knows that conditions before the war were no more normal than they are now.

What we probably mean is this: we ought to find the normal method and balance of life, and build from that.

It is, of course, a big question; but tasks are not necessarily difficult because they are big. Sailing across the ocean is only an extension of sailing across a pond; the difference is that the man who first sailed across the ocean had an ocean-wide vision, instead of a pond-wide one. The first is as easy as the second, once you see it and know it.

Now, what concerns the majority of people today is not the great big question of reaching normal in the whole social system, but how to reach normal on the bread-and-butter side of life; how to get rid of the "high cost of living"; how to have the necessities

of food, fuel, shelter and clothing easily within reach. The pocketbook is the only book from which most people can study economics, and after all is said and done, every system of economics must pass muster at the pocketbook of the humblest family.

So, to state it most simply, it becomes a question of prices: what you can get and what you must give. Making a living is our first business.

If prices are to come down—and that is the final proof to the people and their pocketbooks that things are turning in their favor—something else must come down.

A few months ago some people were talking about wages coming down first. But there is absolutely no reason why one group should stand the first cut, instead of another group. Besides, there is something sacred about wages: they represent homes and families and domestic destinies. People ought to tread very carefully there. On the cost sheet, wages are mere figures: out in the world, wages are bread boxes and coal bins, babies' cradles and children's education, family comforts and contentment.

On the other hand, there is something just as sacred about capital which is used to provide the means by which work shall be made possible and productively managed. Nobody is helped if our industries are sucked dry of their life-blood. There is something just as sacred about a shop that employs thousands of men as there is about a home. The shop is the mainstay of all the finer things which the home represents. If we want the home to be happy, we must contrive to keep the shop busy. The whole justification of the profits made by the shop is that they are used to make doubly secure the homes dependent on that shop, and to create more jobs for other men. The only legitimate use of capital is to open more productive opportunities for more men. If profits merely go to swell a personal fortune, that is one thing; if they go to provide a sounder basis for business, better working conditions, better wages, more extended employment—that is quite another thing. Capital thus employed should not be carelessly tampered with. It is for the service of all, though it may be under the direction of one.

But it was a question where to begin. Some one had to begin. Very many were willing to have the beginning made with the men in the shop. But there is no reason whatever why the beginning should not be made elsewhere. Why not begin with profits? Profits belong to three places: they belong to the business, to keep it steady, progressive and sound. They belong to the men who helped produce them. And they belong also, in part, to the public.

A successful business is profitable to all three of these interests—planner, producer and purchaser. People, whose profits were excessive when measured by any sound standard, should have been the first to cut prices. But they were not. They had passed all their extra costs down the line until the whole burden was borne by the consumer; and besides doing that, they had charged the consumer a percentage on the increased charges. Their whole business philosophy is, "get while the getting is good." They are the speculators, the exploiters, the no-good element that is always injuring legitimate business. There was nothing to be expected from them, because they have no vision. They cannot see beyond their own cash register.

But pressure can be brought to bear on them by legitimate business men taking the initiative and making a sacrifice for the sake of forcing the illegitimate business men out of business or into decent practices. Some people, however, can talk more easily about a 10 or 20 per cent cut in wages than they can about a 10 or 20 per cent cut in profits. But a business man, surveying the whole community in all its interests and wishing to serve that community by helping it to get back to easier and more dependable conditions, ought to be able to make this contribution to stability. In doing

so, he is repaying the public for its confidence in him during the past.

It must be understood that high prices do not always mean profiteering. Some manufacturers are doubtless deterred from taking a forward step by the feeling that if they cut prices it will be a confession that their former prices represented profiteering. And, as they cannot give the explanation that material and labor charges have come down, they are at a loss to know how a price cut can be explained.

Every manufacturer knows that labor and material prices have not come down, and many honest manufacturers know that their prices until now have not represented profiteering; yet this is the very class, who, because of their business honesty and ability, are the ones called upon to lead the movement for a better deal all round. To do so, will mean perhaps a temporary loss; it will mean in any case a suspension of profits. But it must be done, and some one must do it. It is the right thing to do, and who can lose by doing a right thing?

One thing we must learn, and price reduction will force us to learn it more quickly than anything else could, and that is, improved and less wasteful methods of production. One big part of the discovery of what is "normal" in industry depends on managerial genius discovering better ways of doing things. If a man reduces his selling price to a point where he is making no profit or incurring a loss, then he simply is forced to discover how to make as good an article by a better method—making his new method produce the profit, and not producing a profit out of reduced wages or increased prices to the public. It is not good man-

agement to take profits out of the workers or the buyers; make management produce the profits. Don't cheapen the product; don't cheapen the wage; don't overcharge the public; but put brains into the method, and more brains, and still more brains—do things better than ever before; and by this means all parties to business are served and benefited.

We have been too much at the mercy of circumstances. We have talked of "good times" and "bad times" as if they were the weather over which we have had no control. It is true we have had too little control over them, because of the speculative group at the top who has always aimed to keep industry in control by Credit. But when a business stands on its own feet, lives by merit, is built up by fair dealing, and gives a wide berth to the Gold Gamblers, it tends to control the "times" and keep them "good."

We can take the initiative and make things better, or we can just go along and let happen what will.

WE HAVE not reached a "normal condition" yet. It is not back of us, it is still before us, and we never will reach it until we have discovered just what normality is. We can take the first step now. We can make adjustments at those points where the pressure is hardest. There is always something we can do, and by doing what we can do now, the way will be opened for greater things to do. The principal pressure today is at the point of "price." The pressure there can be relieved. It is better to decrease profits for a constructive purpose, than to have them decreased by a slackening of business. Besides, it will be an incentive to better methods of production. We are not at the mercy of uncontrollable economic currents; we are dependent entirely on our own brains for management.